

Water UK Developer Day

21 October 2019



Welcome and Scene Setting

Ian Rule

Director of Customer & Wholesale Services

Anglian Water



Context for the day

- Growth and sustainability a key challenge and opportunity for us all
- Engage and work with you as key customers, one of many events
- Develop collaborative solutions for win-win
- Significant changes are happening in next 6 months, hope today will be helpful in outlining some of these
- We are here to listen, please interact and ask questions!



A view from a Water Company of Progress and Challenges in the New Connections Market

Alex Plant

Director of Strategy and Regulation

Anglian Water



Anglian Water



A view from a water company of progress and challenges in the new connections market

Alex Plant, Director of Strategy and Regulation,

October 2019



Approach

Enabling Sustainable Development

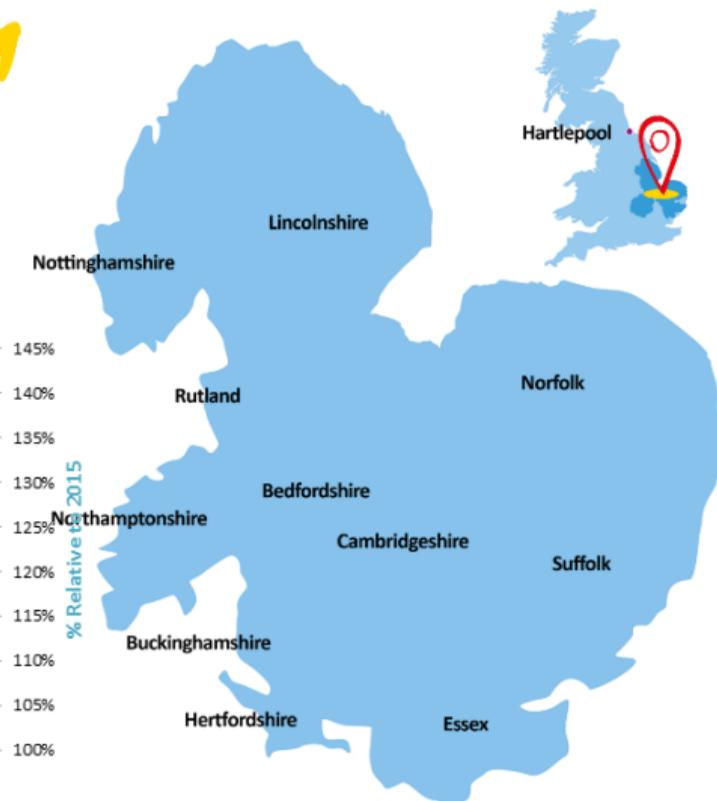
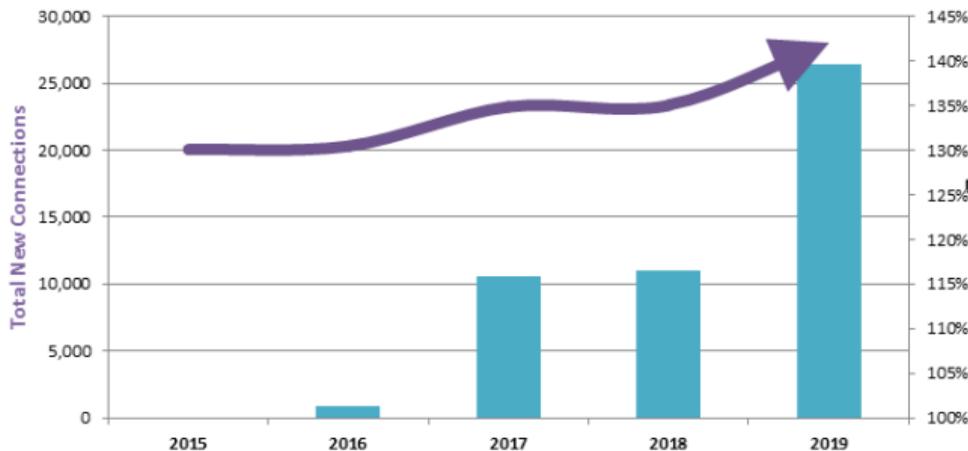
- To support the development of markets wherever that is in the long term interests of customers and the environment
- To recognise our particular responsibility as an incumbent to help markets work well
- To “**Make Today Great**” for all of our customers, continually improving the service we offer



Housing Growth

East of England – Fastest growing region

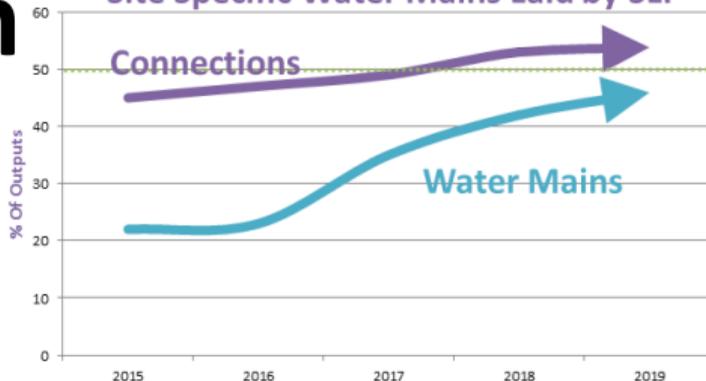
AW - New Connections Numbers



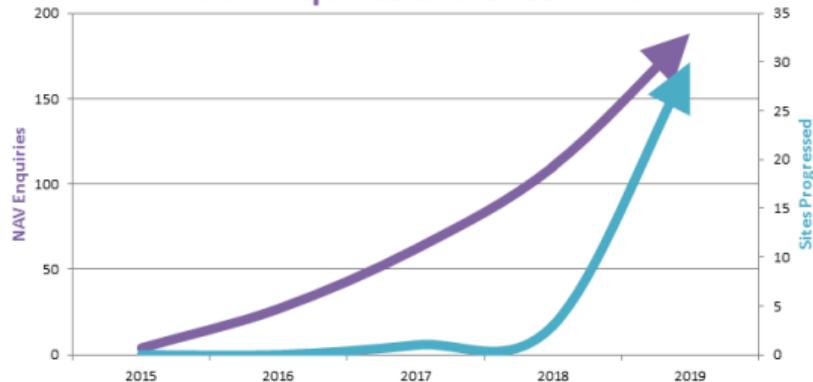
Competition

NAV's and Self Lay Providers

Site Specific Water Mains Laid by SLP

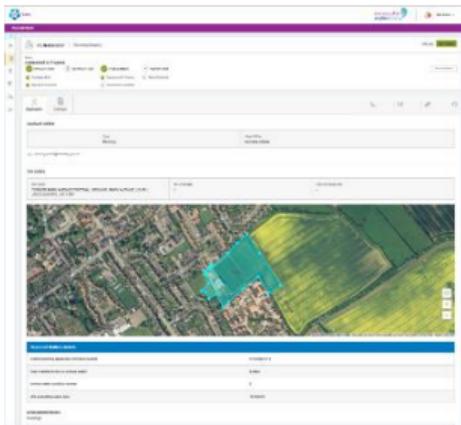


NAV Enquiries and Sites in AW

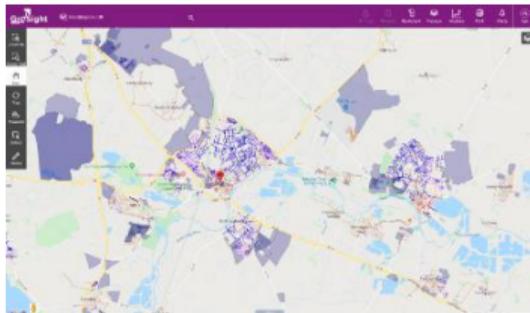


Digital Transformation

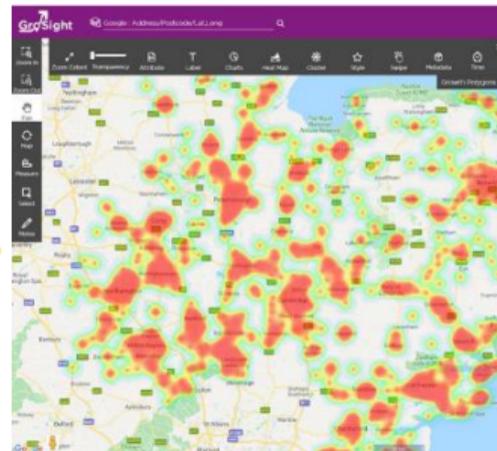
Better data, better planning,
Early engagement.



Application



Spatial Planning



Heat Map Reporting



Investment meets need

EnginSoft visual for Strategic GIANT – Growth Impact Assessment.



Figure showing the network before (green) and after (red) a development has connected (from our InfoNet tool)



Thank you for listening

Questions?



Time to Act Together

Rachel Fletcher

Chief Executive

Ofwat

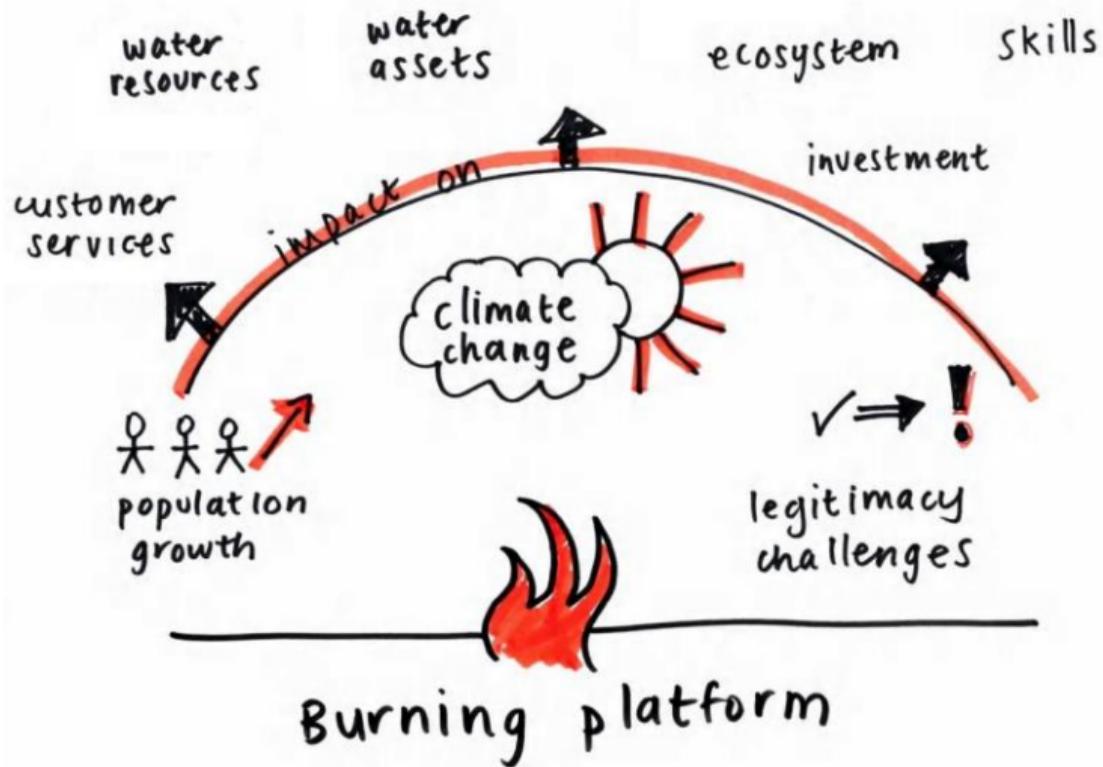


Time to act, together

Rachel Fletcher, Chief Executive

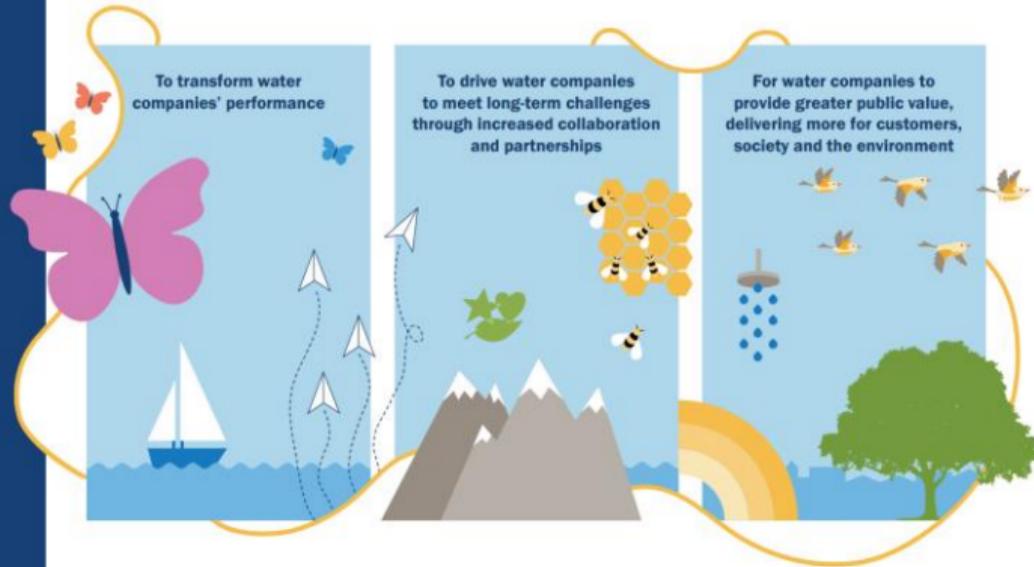
21 October 2019

The logo for 'ofwat' is displayed in a dark blue, sans-serif font. The letter 'w' is enclosed within a dark blue circle. The letters 'o', 'f', 'a', and 't' are positioned to the left, right, and below the 'w' respectively. The logo is set against a white background with a blue rectangular block in the top right corner.



What we want to achieve

Based on what we have heard, we have set ourselves three goals for the coming years.



A water sector providing the very best service, protecting the environment and improving life through water, both now and in the future.

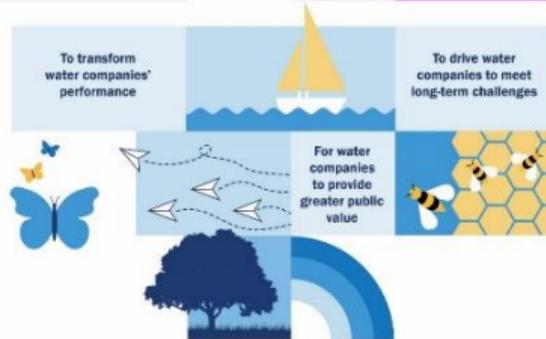
What we all need



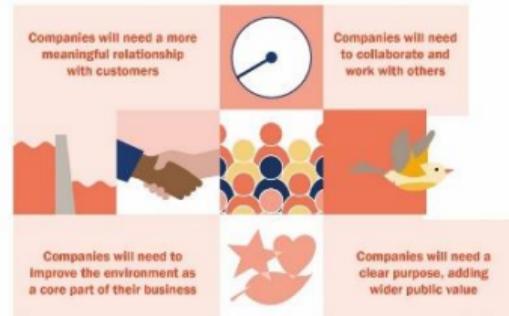
How Ofwat will do it



Our strategic goals



What companies need to do





www.ofwat.gov.uk

[Twitter.com/Ofwat](https://twitter.com/Ofwat)

Sustainability Challenges for New Development

Stuart Colville

Director of Strategy

Water UK





Sustainability Challenges for New Development

Stuart Colville
Water UK

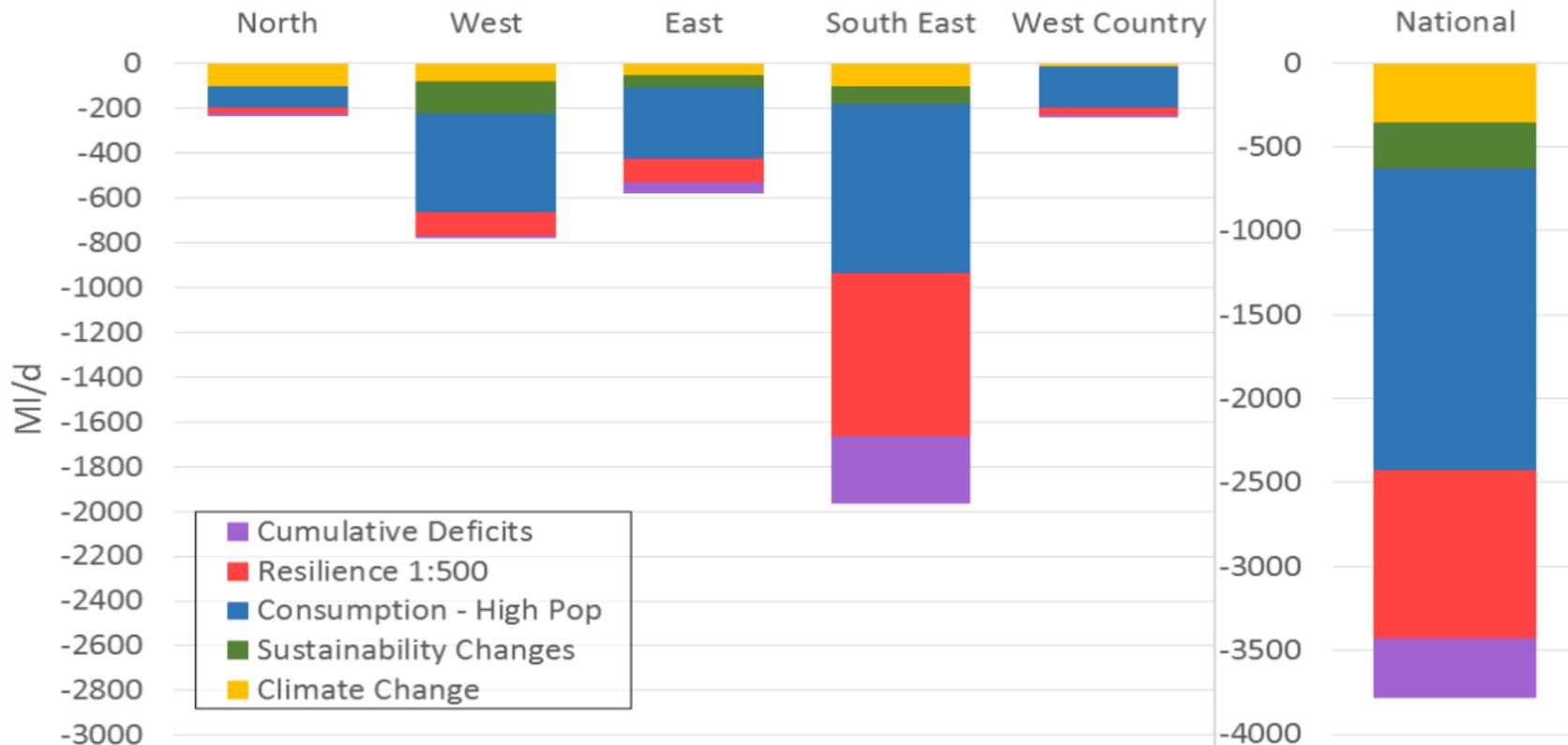




1. Water Efficiency

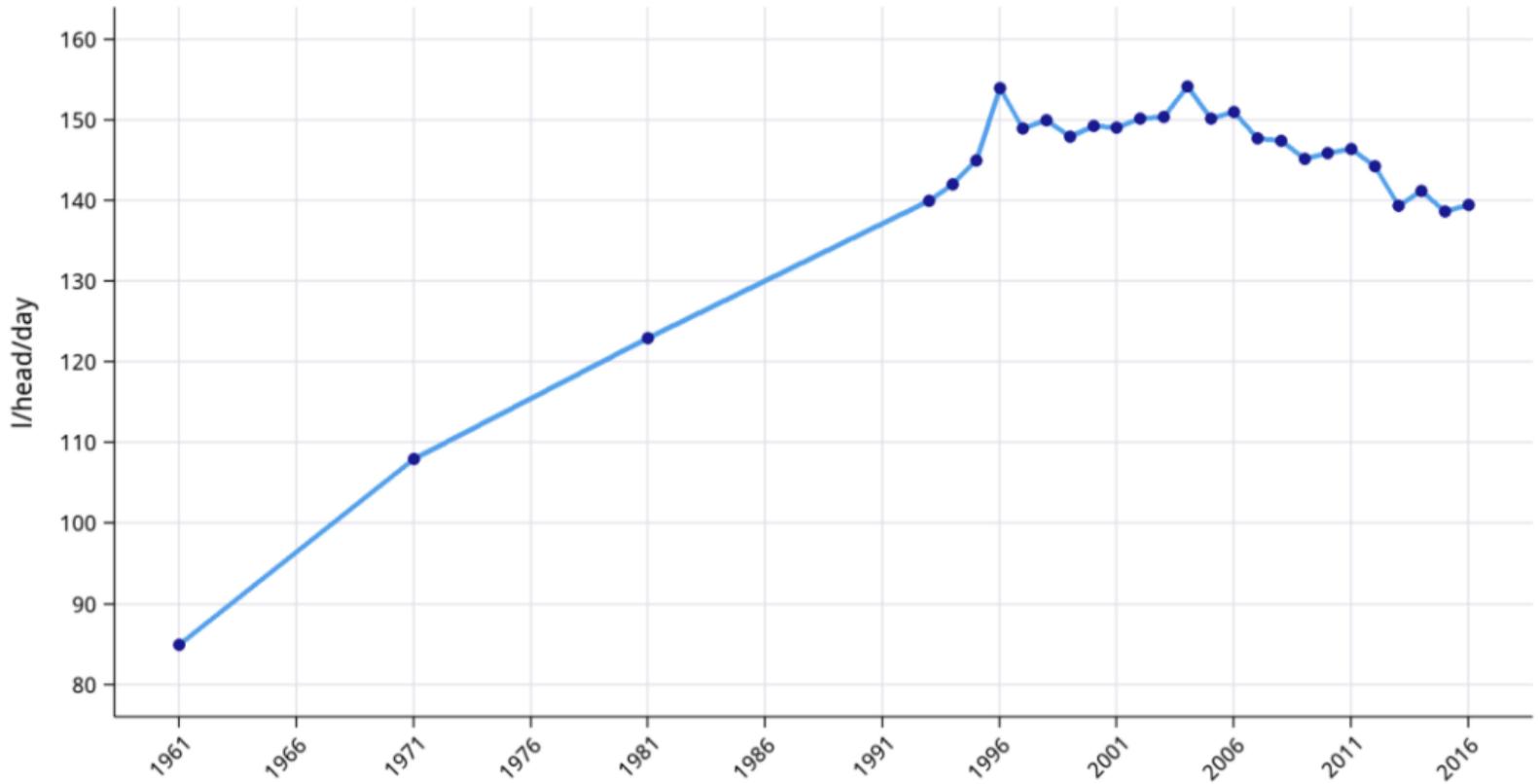


Deficits 2024-25 to 2049-50 High Population at 1:500

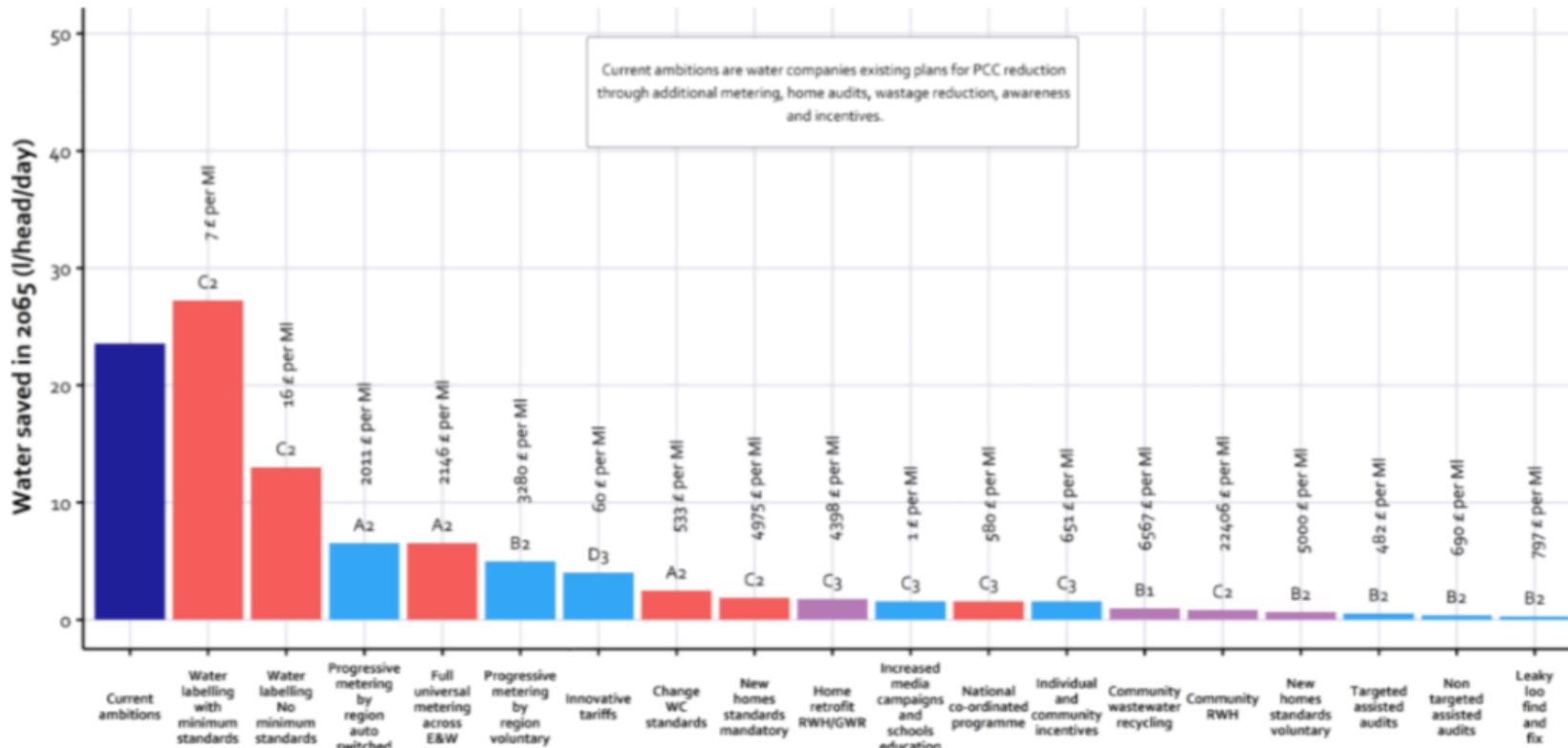


Source: Draft results from modelling led by the Environment Agency for the National Framework report into long-term supply/demand balancing. Results are not final and are subject to change.

Trend in historic household consumption



Source: Extracted from Artesia Consulting (2018) for Ofwat, 'The long term potential for deep reductions in household water demand', pp.7.



Source: Artesia Consulting (forthcoming) for Water UK, 'Pathways to long-term PCC reduction'

■ Current ambitions
 ■ Government
 ■ Other
 ■ Water company



2. SuDS



Sewers for Adoption in England

A changed approach to surface water sewers



What next?



D-MeX

Richard Dunmore

**Developer Services, Head of Strategy
and Planning**

Thames Water





D-MeX

Driving for improvement in customer service

Richard Dunmore, Head of Strategy & Planning for Developer Services

Agenda

- 1 Objectives of D-MeX
- 2 Challenges during the pilot & shadow year
- 3 Benefits to developers
- 4 Synergies with Codes for Adoption
- 5 Interface with NAVs





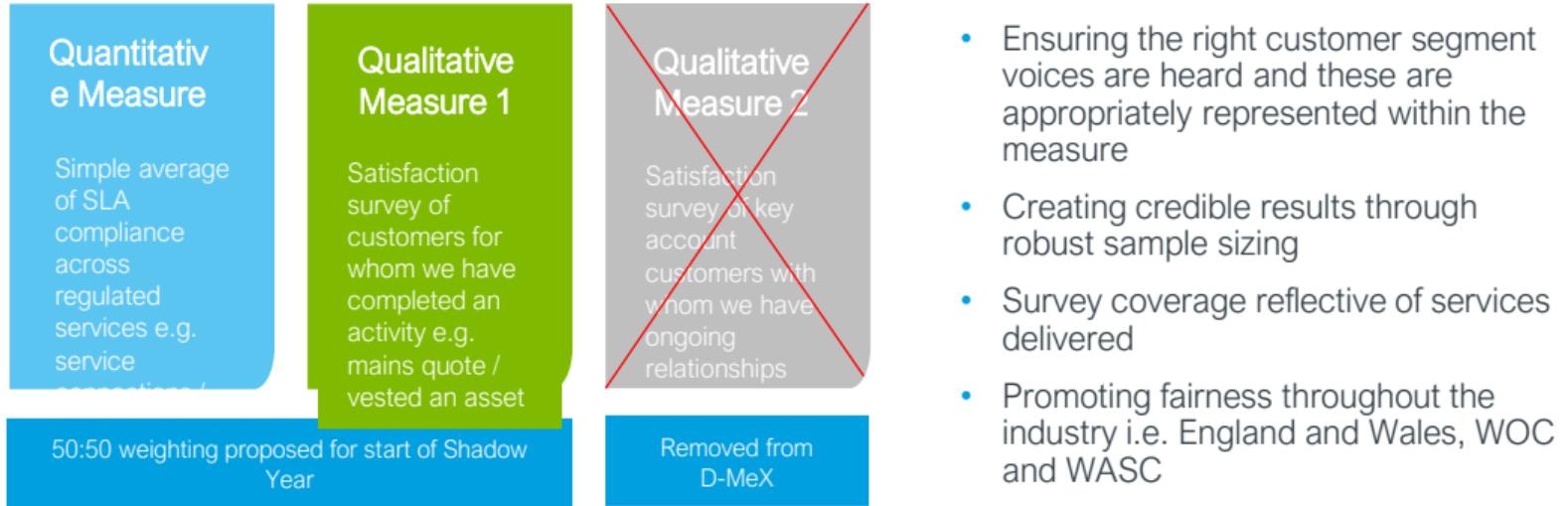
Objectives of D-MeX

There were a number of key objectives for the design of D-MeX, which helped to steer the methodology:

- Encourages companies to **improve customer experiences** and innovate;
- Is **simple** and **meaningful** for companies and customers;
- Is **proportionate**;
- Is **practical** to implement;
- Measures performance across companies consistently, **reliably** and **fairly**; and
- Reflects customer **behaviour** changes and **market** changes

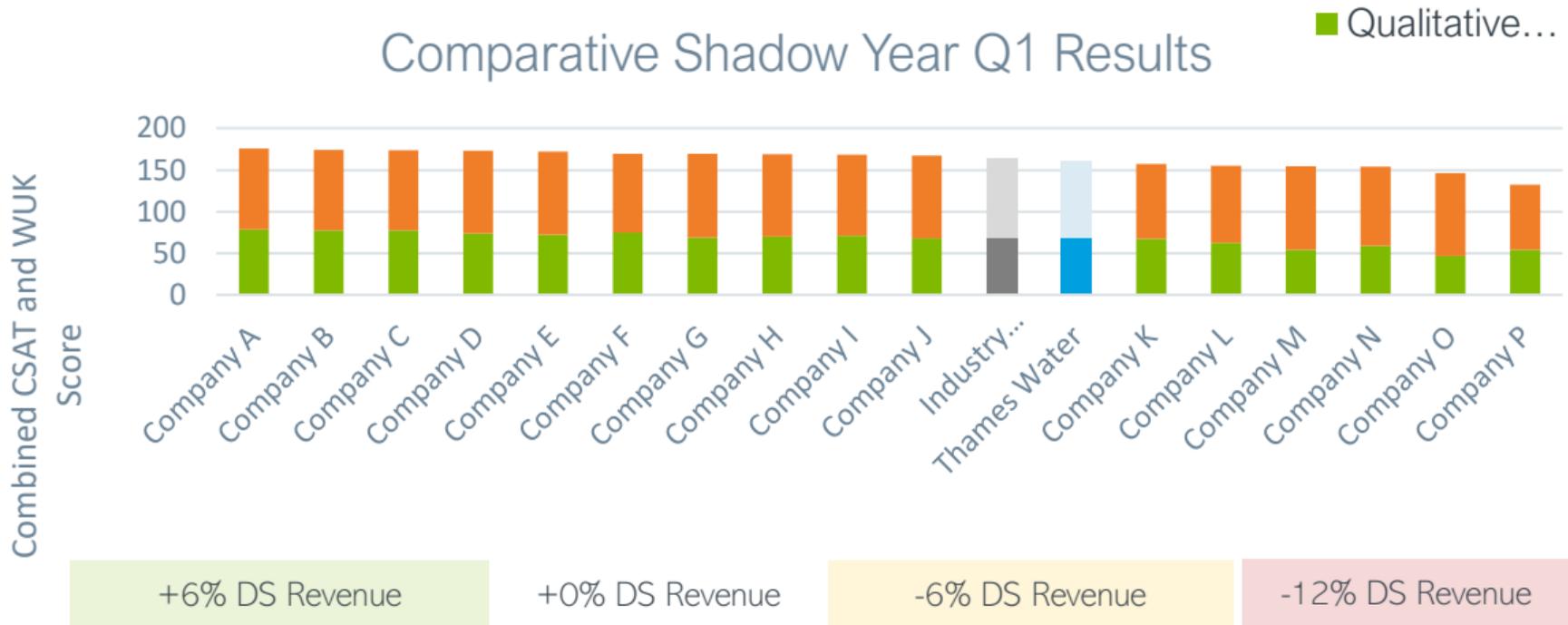
Challenges in the pilot & shadow year

There have been some challenges in achieving the objectives



Benefit to developers

Incentivising excellent service through a league table and financial penalties / rewards



Benefit to developers

The raw data from the qualitative surveys provides a good insight into satisfaction drivers



Single point
of contact

Keeping our
timescale
promises

Enabling
competition

Synergies with Code for Adoptions

All the regulatory programmes are pulling in the same direction; creating more transparency and accountability for service

Fairness

Driving to provide excellent service for SLPs and NAVs, allowing them the opportunity to compete for business.

Consistency

Standardising the service SLPs and NAVs receive from all water companies making it easier for them to do business across the country

Accountability

Leveraging refreshed SLAs & Water UK metrics which will flow into D-MeX to ensure water companies held to account for all aspects of service are

Transparency

Clarity over the service everyone should expect from water companies, facilitating the scoring for D-MeX

Interface with NAVs

Aligning the customer segment experiences

- New NAV metrics are being developed through Water UK in consultation with the industry
- Aspiration to align the standard of service across products and customer segments
- Drive to open the market up to competition by making this more accessible for developers through improved and transparent service from water companies



Thames engagement routes

Co-create solutions

Get to know each other and agree ways of working

Pre-planning enquiries

Developer workshops

Developer Scrutiny Panel

Clear and communicative

Work through implications of regulatory and policy change

Connection charges

Choice of provider

Monthly e-newsletter

Easy to reach

Understand and meet your needs

Streamlined call security

Direct dials

Ask the Expert surgeries



Thank you

Water Code

Ashley Marshman

Head of Business Channels

Southern Water



Water Codes – What it means to Southern Water

Ashley Marshman

Head of Business Channels

October 2019



Introducing Business Channels

'Business Channels' is a newly created function within the Customers, Innovation and Commercial function, made through merging two existing functions: Wholesale Services and Developer Services

Business Channels

Wholesale Services

Services to retailers and their non-household customers (businesses and public organisations) who can choose their water retailer.

Interactions with the market operator: MOSL

Developer Services

Services to housing developer customers (inc SLP & NAV) to supply water and collect sewage from new developments.



Supporting the code changes

Active in the Water UK working group:

- Design and Construction Specification co-creation

Water UK Workshop participation

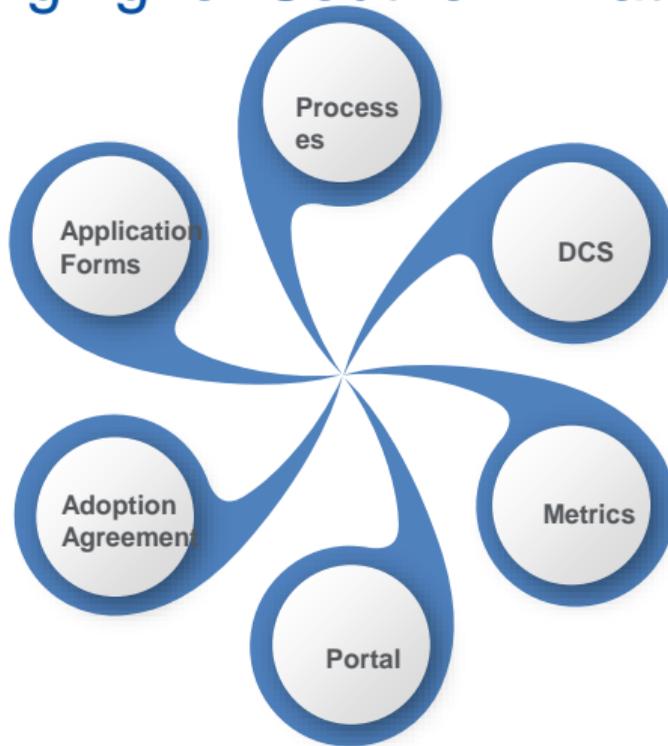
In addition to this, Southern Water has been keen to show our support of the Self Lay community:

- SLP Action group – first meeting on 3 December
- Invited SLPs to our Developer Day as both guests & exhibitors
- Regular engagement – meetings, newsletters keeping them up to date with SW changes
- A place on the Customer Action Group (which includes developers and consultants to bring all customers together)
- Delivered improvements - allowed SLPs to undertake their own trench inspections

These communication points have enabled us to gain valuable feedback on both our current performance and on aspects of the impending codes.



What is changing for Southern Water



The overarching aim being to harmonise our provision to the self lay community alongside the other water companies



What this means for Southern Water

Against a backdrop of four major industry changes going live in April 2020:

- Water Codes
- Waste Water Codes
- D-MeX
- New Charging

...and our own ongoing improvement plans.

Training:

- Service Desk
- Technical Team
- Key Account Managers
- Engineering
- Legal

Processes changes:

- All our SLP processes will need reviewing to ensure compliance to the codes once ratified – we have already started this work

Application Forms:

- Minimum information makes it clear what we expect from applicants, which should improve the initial application process
- Currently 13 application/notification forms relating to Self Lay on SWS website
- Format of application forms should be consistent across the Water companies

Metrics & reporting:

- Metric mechanisms need reviewing/instigating to ensure compliance to the codes



Summary

- Big changes to nearly all aspects of the service
- The daily process will feel different to the Self Lay Community
- SLP's should feel they are treated and respected equally to a supplier of Southern Water
- Improve the journey for all our customers
- Harmonise our provision with the rest of the English water companies



Sewerage Code

Paul Hurcombe

Strategic Asset Manager

Severn Trent Water



WATER UK DEVELOPER DAY

Item 8: Sewerage Code

Enabling the timely provision of new sewerage infrastructure required to enable housing growth.

21 October 2019

WONDERFUL ON TAP



BACKGROUND & PRINCIPLES

- In 2017, Ofwat issued a ***Code for Adoption Agreements*** (“Code”) which required water companies to develop draft ***Sewerage Sector Guidance*** (“SSG”) and a draft ***Model Sewerage Adoption Agreement*** (“MSAA”)
- Water UK has taken forward work on behalf of the water industry under its Codes for Adoption Programme
- A Codes Programme Board and Independent Sewerage Steering Group put in place to govern & oversee
- Customers involved in activities and decisions
- Broad consensus achieved amongst customers and companies
- Draft documents prepared - 2nd consultation complete - submitted to Ofwat for review and approval
- This represents a significant step in the ongoing development of arrangements for the provision of new sewerage infrastructure

PRINCIPLES & OUTCOMES

- Codes provide detailed expectations on all parties relating to the adoption process
- Provides for a clear, consistent and enforceable baseline for the measurement of performance
- Provides a harmonised approach - limits the areas in which local practices are permissible
- Provides the basis for an efficient process for the delivery of sewerage infrastructure
- Allows companies to manage risks to the provision of sewerage services for end users in line with their statutory obligations
- Allows developers appropriate flexibility
- Places compliance and redress obligations on companies
- Provides for an overall improvement in standards right across the industry

NOTABLE CHANGES

- The Model Sewerage Adoption Agreement (MSAA) has been modified to provide standardisation
- A comprehensive set of procedures and performance metrics relating to sewer adoption has been created
- Sets out the information required by the Water Companies to progress an adoption
- Sewers for Adoption has been converted into the Design and Construction Guidance (DCG)
 - Replaces multiple versions of 'Sewers for Adoption', therefore implementation of the Sector Guidance will result in the formal implementation of the most up-to-date guidance(SfA8).
 - Sets out standards relating to the adoption of SUDs that meet the legal definition of an adoptable sewer (not applicable in Wales)

BENEFITS & IMPROVEMENTS

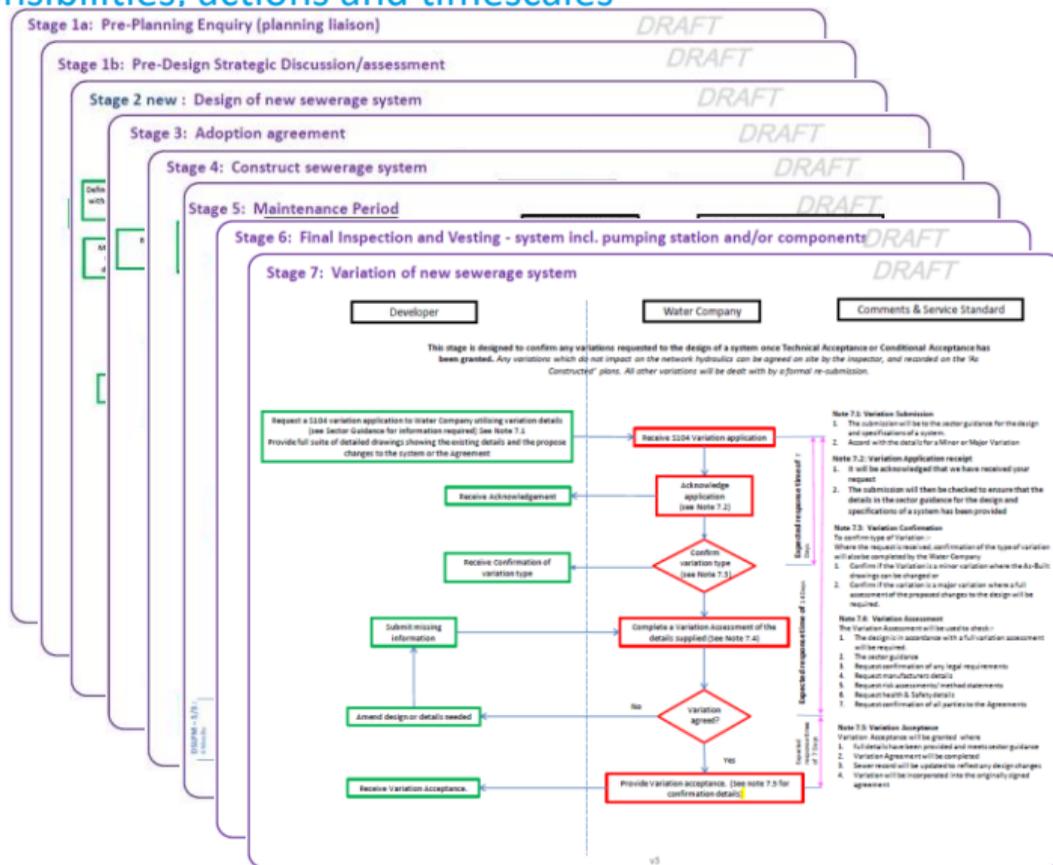
Improvements made	Benefit to asset adoption & stakeholders
New set of procedural charts developed to explain steps in a typical sewerage adoption transaction	National consistency , smoother adoption journey, improved LoS to Customers to inform D-Mex
Local practices have been kept to a minimum (surface water discharges, easements and requirements for pumping stations).	National consistency
Series of minimum information checklists introduced	Identifies information required at key stages. Will reduce delays and focus resources.
Increased the number of measurable actions and steps from two to ten	Current Water UK metrics only cover initial application period and do not consider life cycle and full build-out programme
New Levels of Service (LoS) measures in response to customer feedback	Greater rigour in measuring performance will minimise delays to the start and completion of construction
Speeding up getting WaSC inspectors to site and issuing feedback/reports	Ensures all parties remain focused along with back office staff
The SSG documents will be published in one place.	Design & Construction Guidance, Local Practices and Minimum Information all in one place .
New redress procedures aimed at encouraging a “right first time” approach.	Helping to avoid delays in the adoption process.
New Model Adoption Agreement will now be standard across England.	Should help to avoid delays in the asset adoption process.
The process for vesting sewers has been clarified and expanded with timescales.	Promote certainty for the Developer where sewers are constructed on time and with no defects. Will help homeowner’s understand sewer ownership .
A two-tier disputes resolution procedure starting internally before moving to external resolution	Will deliver a much swifter, less expensive way to resolve differences of opinion.
Review and consolidation of design guidance (Sewers for Adoption 6th & 7th Edition) with the inclusion of certain sustainable drainage systems.	Nationally consistency and adoption of SuDS components to support sustainable approach to surface water management.

ADOPTION PROCEDURES AND LEVELS OF SERVICE

SUITE OF PROCEDURES

Clarifying roles, responsibilities, actions and timescales

- Accompanied by Checklists to avoid rework and delays
- Inclusion of timescales will inform Levels of Service/SLAs and resource requirements, both for WaSCs and developers.



MODEL SEWERAGE ADOPTION AGREEMENT

(MSAA)

MODEL SEWERAGE ADOPTION AGREEMENT (MSAA)



- Previous “Model Adoption Agreement” has been discretionary which has led to inconsistency.
- Will now be standard across England.
- Document remains fairly unchanged but updated to reflect the aspirations of the Code to improve the adoption process.
- Standardisation should help to avoid delays in the asset adoption process.

ADOPTING SEWERAGE WITH SUSTAINABLE DRAINAGE

(NOT APPLICABLE IN WALES)

WHAT SUDS CAN BE CONSIDERED FOR ADOPTION?

Must meet the same criteria as an adoptable sewer...

- ✓ Constructed for the drainage of buildings and yards appurtenant to buildings
- ✓ Has a defined channel
- ✓ Conveys and returns flows to a sewer or to a surface water body or to groundwater
- ✓ Has an effective point of discharge, which must have lawful authority to discharge into a watercourse, or other water body, or onto, or into land
- ✓ May allow for some infiltration into the system (e.g. groundwater) – provided that is not the designed purpose of the system

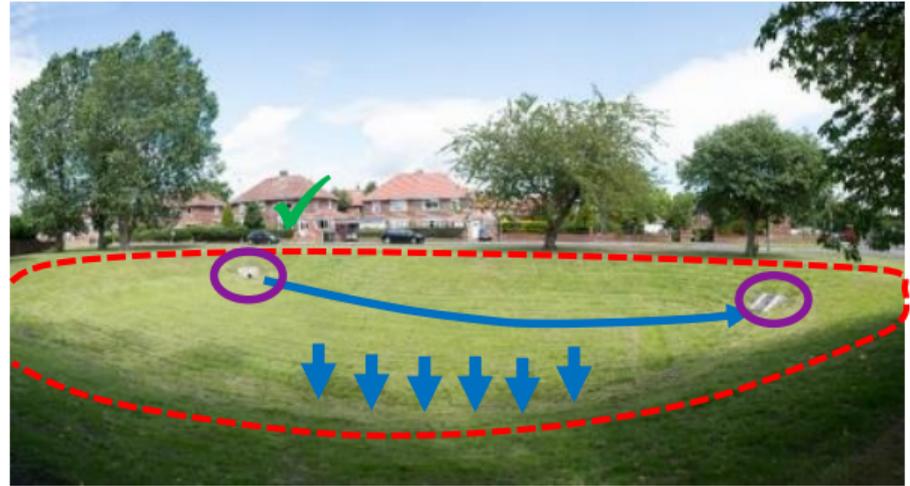
...but cannot adopt if...

- ✗ Watercourses as defined in law
- ✗ Built primarily for the drainage of surface water from streets or for the drainage of land
- ✗ Built to manage groundwater
- ✗ Part of the structure of a building or yard
- ✗ An integral part of the structure of a street
- ✗ Forms part of a private curtilage

WHAT SUDS CAN BE CONSIDERED FOR ADOPTION?

For example...

- ✓ Flows as per an adoptable sewer
- ✓ Has a defined channel (e.g. top of bank)
- ✓ Conveys flow
- ✓ Has inlet and outlet (this can include infiltration to land)



WHAT SUDS CAN BE CONSIDERED FOR ADOPTION?

What can not be adopted...

Highway Drainage

Any system that only provides highway drainage is not adoptable by the water and sewerage company. A system may accept some highway drainage, but this cannot be the main purpose of the system.

As at present, an agreement is needed for highway drainage to be discharged through a sustainable drainage feature that is a sewer.



WHAT SUDS CAN BE CONSIDERED FOR ADOPTION?

What can not be adopted...

Private drainage features

Water-butts, permeable paving, rain water harvesting systems, and green or blue roofs are classed as building drainage, even where flows from more than one property are conveyed.

These cannot qualify as public sewers and will remain the responsibility of the homeowners.

Water Management is still vital though to control/reduce the volume of water draining to the sewer system and can provide an important supply of water to use around the home, helping to reduce demand.



image courtesy AIV Direct



image courtesy of Susdrain



image courtesy of Susdrain



SUDS DESIGN

WIDER THAN JUST ADOPTION

ROLES AND RESPONSIBILITIES

No fundamental changes

- **Local Planning Authority (LPA)** still responsible for approving surface water drainage arrangements for new developments and redevelopments in accordance with the NPPF, local policies and any supplementary planning documents.
- **Lead Local Flood Authority (LLFA)** still responsible for guidance to the LPA as a statutory consultee for all major developments.
- The **Highway Authority** responsible for assessment, approval and adoption of highway drainage features that only serve the highway (if they wish). This may include SuDS features.
- SuDS designed in accordance with **CIRIA SuDS Manual**.
- **Sewerage Company** will assess proposals for drainage systems on new and redevelopments where the developer applies to have the sewers adopted.
- **Sewerage Company** also be responsible for capacity upgrades to the existing sewerage network to accommodate additional development flows both for foul and surface water discharges.

Early engagement with the water and sewerage company is essential to minimise delays.

SUDS ARE MORE THAN JUST FLOOD ATTENUATION

- A good SuDS design delivers more than just flood attenuation



- Good SuDS design can deliver wider natural and social capital benefits.
 - We have a new Green Communities incentive in our 2020-2025 investment plans to retrofit enhanced SuDS
- Keeping SuDS visible enhances the community and built environment that underground SuDS don't!
- A good SuDS design can deliver Public Open Space and still be an adoptable sewer.
 - Dual use optimises land usage



SUDS MAINTENANCE: WHO?

Water Quantity/Quality

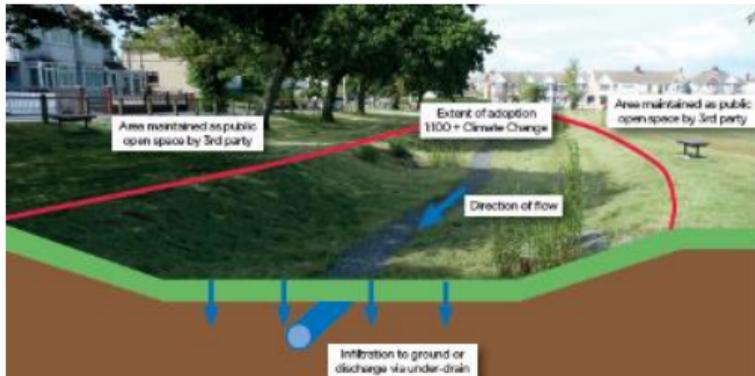
Sewerage company adoption limited to maintaining its function as a ‘sewer’

- Desilting and maintenance of flows
- Headwall maintenance

Amenity & Biodiversity

Management of amenity aspects outside the remit of sewerage company

- Activities associated with maintaining an open space, such as grass cutting and litter picking
- Maintenance of landscaping features associated with amenity/biodiversity, such as planting.



The use of land transfers or easements

Either a land transfer or the use of an easement may be used by the sewerage company to adopt and maintain drainage features of an adoptable sewer.

WORKING TOGETHER

- Early engagement can avoid delays but also deliver wider mutual benefits if we can work together to accommodate development.
- Speak to LLFA first to understand their requirements relating to surface water discharge rates.
- Right to connect: connecting surface water into a foul sewer should be a last resort but surface water sewers also have a limited capacity!
- Good examples of where predevelopment enquiries can identify alternative connection points or strategic solutions to minimise investment needs

DRAINAGE AND WASTEWATER MANAGEMENT PLANS (DWMP)

- All sewerage companies are committed to publish DWMPs by Summer 2022
- Catchment plans covering 2025-2050 overlooking climate change, urban creep and new development.
- Sustainable development will be key to ensuring existing pressures are not exacerbated but working together to manage surface water will be essential.
- Good examples of where predevelopment enquiries can identify alternative connection points or strategic solutions to minimise investment needs

SUMMARY

- New Adoption Code aimed at making the adoption process clearer and simpler
 - Supports Industry focus on environmental leadership and sustainability
 - National consistency to minimise delays
 - Sewers for Adoption replaced by Design and Construction Guidance
 - Where SuDS meet the criteria of an adoptable sewer these can be offered for adoption.
 - Not applicable in Wales
- **More work can be done through the Codes Panel**
 - **Implementation is a step in an ongoing journey of improvement**
 - **Further improvements in the arrangements should be expected and encouraged**

Charging

Jane Johnson

Customer Delivery Manager,

Developer Services, United Utilities



Developer Services Charges

Jane Johnson, United Utilities



The changes to charges since 2018

Principles

Rules

New charges from April 2020

Income offset

Bill stability

United Utilities' approach

Income offset

Transition

Sustainable discount

Introduction of charges principles

**Stable &
predictable**

**Transparent
& customer
focused**

**Fairness &
affordability**

**Environmental
protection**

Key charging rules from 2018

Rule 19

Broadly maintain the present balance of charges between developers and other customers.

Rules 26 & 27

Requisition charges must only relate to site specific work and should not include any amount for network reinforcement cost.

Rule 28

Infrastructure charges must cover costs of network reinforcement over a rolling 5 year period; must not reflect costs to address pre-existing deficiencies in capacity/capability unrelated to a requisition.

Rule 25

- Requisition charges, an undertaker:**
- Must provide for the option of upfront fixed charges; and
 - May provide alternative methods for calculating charges

Rules 29 & 34

Income offset may be applied to requisition charges (but is not required to), offsetting is only allowed against requisitions.

Rule 32

Infrastructure charges must take due account of any previous site usage in last 5 years; includes previous supplies of water and drainage that were not for domestic purposes

Charge should be discounted accordingly.

New charges rules/requirements for April 2020



Income offset

Requisition  infrastructure charge

Stability of bills

United Utilities approach



Same structure

Cost reflective

Income offset

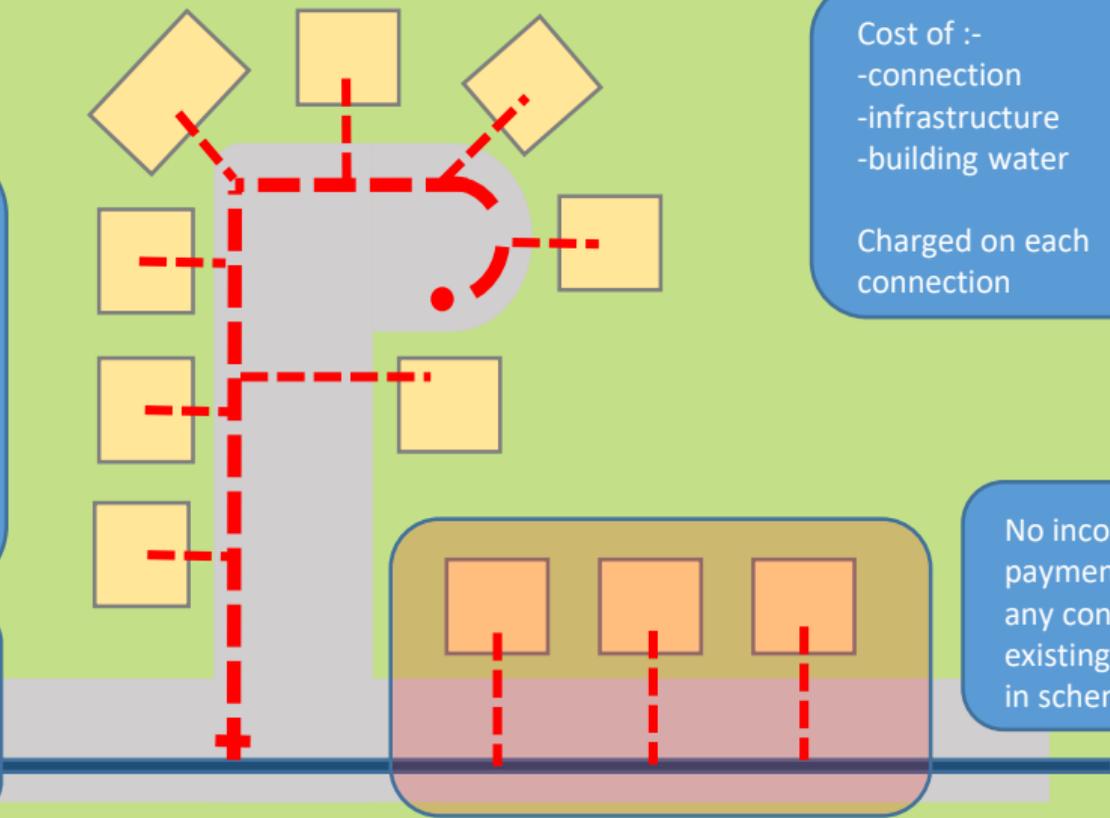
Review of sustainable discount

Income offset

**“As is”
New Requisition**

Cost of main calculated.
Income offset payments deducted from cost of main (capped at mains scheme cost) .
Developer Customer pays ‘difference’ upfront.

Income offset payments made for connections off **new main only**



Cost of :-
-connection
-infrastructure
-building water

Charged on each connection

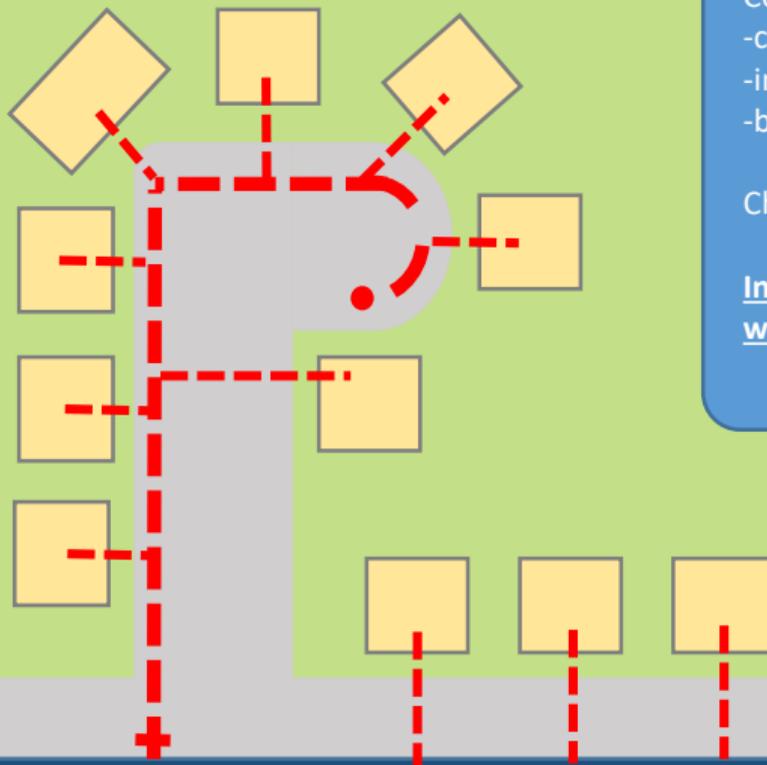
No income offset payments made for any connections off existing mains included in scheme.

**“After April 2020”
New Requisition**

Cost of main
calculated.
No Income offset
payments deducted.

Developer Customer
pays full cost of main
'up front'.

Value of income
offset payments is not
capped



Cost of :-
-connection
-infrastructure
-building water

Charged on each connection.

Income offset payment made
with each connection

Income offset
payments will be
made for any
connections off
existing mains
included in scheme at
time of connection

"As is"

New Self Lay Provider

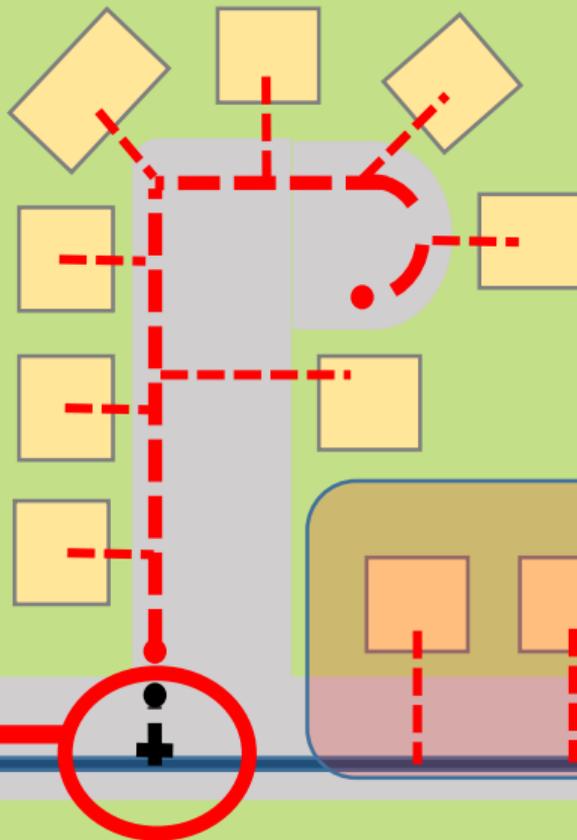
Cost of U UW laying main calculated (comparison purposes only)

Cost of non contestable branch connection (by U UW) calculated.

Income offset payments – capped at mains scheme cost. Part of Income offset payments used to 'fund' U UW branch connection.

Remaining income offset payment then paid per plot. (scheme specific).

Income offset payments made for connections off **new main only**



Cost of :-

- connection
- infrastructure
- building water
- Calculated 'site specific' net income offset per connection

Charged / paid on each connection

No income offset payments made for any connections off existing mains included in scheme.

**"After April 2020"
New Self Lay Provider**

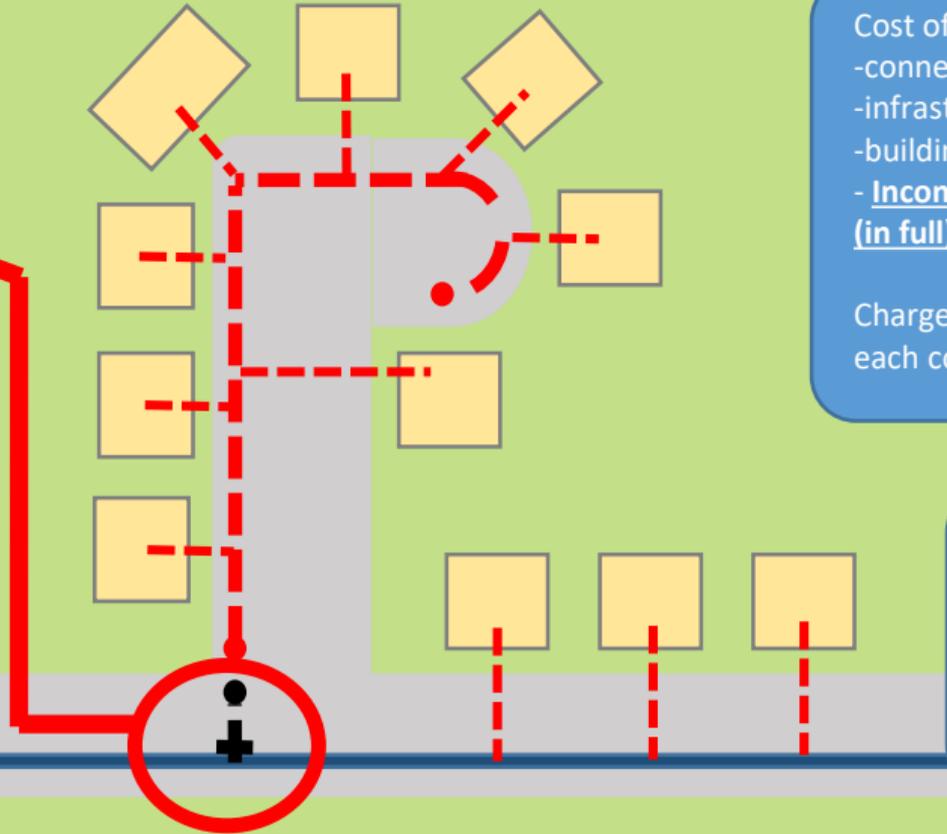
Cost of branch connection (by UUW)

Developer Customer pays full cost of branch connection 'up-front'

No Income Offset payment used to fund branch connection.

Income Offset payment made for each per plot connection

Value of income offset payments **is not capped**



Cost of :-
-connection
-infrastructure
-building water
- **Income offset value (in full)**

Charged / paid on each connection

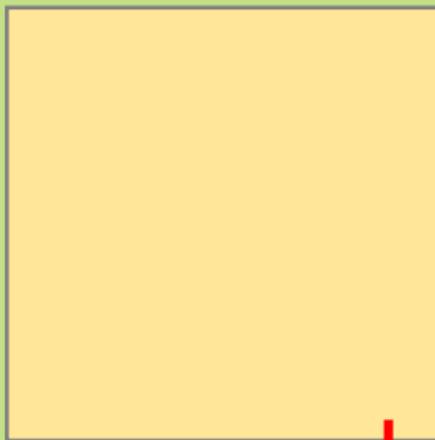
Income offset payments **will be made** for any connections off existing mains included in scheme at time of connection

“As is”

Single Connection off existing main

Cost of connection (by
UUW) calculated.

Developer Customer
pays cost of connection
'up-front'



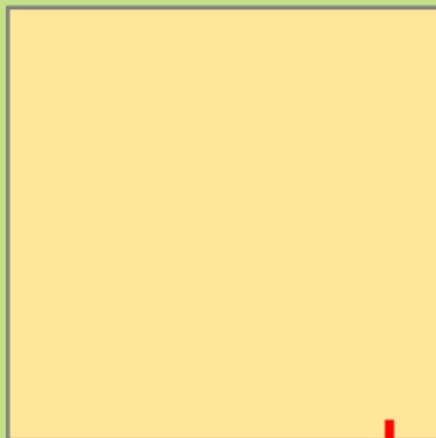
Income offset
payments are not made
for any connections off
existing mains

“After April 2020”

New single Connection off existing main

Cost of connection (by
U UW) calculated.

Developer Customer
pays cost of connection
after connection is
made.



Income offset
payments will be made
for any connections off
existing mains

Transition

Transition considerations



Quotations from 1st October could effectively be connected in following charging year

Sustainable discount

Sustainable premises - infrastructure discount



Water connections

Guide to getting connected including application forms

Water Efficiency Calculator

We encourage Developers to construct properties which promote the efficient use of water.

Where qualifying developments can be proven to be constructed to use 110 litres per person per day, or less, we will provide a reduced rate against our Water Infrastructure Charge (as published in our charges scheme).

We will utilise the methodologies set out in Appendix A "Water Efficiency Calculator for New Dwellings" of The Building Regulations Approved Document G, to calculate the level of water consumption at new household premises.

We can find the calculator by following the link below:

[Water Efficiency Calculator](#)

Please note: This calculator cannot be used in conjunction with non-household developments. The infrastructure discount is only applicable for dwellings.

We require Developers to sign a disclaimer notice agreeing to OUV audit of premises and fittings to confirm compliance with the requirements of the Regulations, and accept liability for the full infrastructure charge if the information provided is found to be inaccurate.



Encourage efficient water use and surface water drainage;
110L per person, per day
No surface water drainage entering the network

Based on methodologies set out in Building Regs Approved Document G

New applications/connections, not retrospectively applied to existing properties

Thank you

Panel

Question and Answer Session



Final Remarks

Ian Rule

Anglian Water



Thank you



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